



NEW RESEARCH SHOWS THAT RELIABLE DATA IS THE GREATEST CHALLENGE TO ENSURING EUROPEAN PENSION FUNDS' COMMERCIAL REAL ESTATE ASSETS ARE ON A PATHWAY TO NET ZERO

London, 12th May 2022 - New research by Deepki, the ESG data intelligence firm, which surveyed 250 European pension fund managers* in the UK, Germany, France, Spain and Italy, with a combined AUM of €402 billion, found a number of challenges facing pension fund property investors as they make their transition to net zero, with collecting quality data, analysing it and using it to develop coherent ESG strategies cited as the greatest.

Half of respondents say that just 21%-30% of their fund's commercial real estate assets have strong ESG credentials, with the majority saying that a lack of suitable, quality data is the greatest challenge when it comes to ensuring their commercial real estate assets align with their responsible investment strategies.

More than half (53%) say they struggle to collect quality data; 44% say they have compliance concerns over data collection; two-fifths reveal that asset managers supply inconsistent data; and more than a third (36%) say data is incomplete.



It is no surprise then that 41% of European investors responding to the Deepki survey struggle to analyse and understand the data; 34% find measurement and benchmarking a challenge, leading to 47% conceding that their ability to develop a strategy based on the data is hampered.

Commenting on the findings, Vincent Bryant, CEO and Co-founder of Deepki, said:

"Gathering ESG data for real estate is complicated because so many stakeholders are involved and it is necessary to obtain their consent. However, understanding an asset's performance has to start with good data, which poses a major challenge for many pension funds. As a result, we are seeing rapidly growing demand from asset owners and managers across Europe with significant commercial property investments because they need



technological capabilities and expertise when it comes to collecting the right data, analysing it and developing strategies to achieve net zero.”

Key steps to improving ESG performance

Deepki is the only company in the world offering a fully populated ESG data intelligence platform to help commercial real estate investors, owners and managers improve the ESG performance of their real estate assets, and in the process enhance their value. It outlines the key steps for asset owners who want to tackle brown discounting by improving ESG performance:

- The path to managing ESG performance begins with data collection. The Deepki data intelligence platform, *Deepki Ready*, is supported by a team of ESG experts, who work with clients to capture ESG metrics across all assets on one platform.
- The data provides performance analysis at portfolio- and asset-level.
- The gap between assets’ current position and where they need to get to is assessed, and the strategy needed to get there is identified. The likelihood of achieving net zero targets is provided through predictive carbon pathways.
- All parties are kept informed of the progress of the ESG action plan through real-time reporting on ESG targets and compliance with complex regulations and commitments.
- Stakeholders must understand what actions they need to take to meet the agreed targets across the whole organisation and their real estate portfolio - asset by asset.
- A clear pathway helps increase the value of assets by offering complete control over ESG and regulatory commitments. Collecting and understanding the data gives complete visibility of the pathway and progress to ensure goals are met.
- Improving ESG performance will help reduce your energy consumption and costs.
- Communicate achievements to help build and improve the reputation of the business with investors, shareholders and clients.
- Positively impact society and help protect the planet.

For further information about Deepki’s end-to-end solutions, visit: www.deepki.com



Notes to editors

*Research conducted by Pureprofile with 250 pension fund managers in the UK, France, Germany, Spain and Italy (50 respondents per market) in February 2022.

Challenges to improving ESG of commercial real estate facing European pension funds	% of pension funds who identified this as one of the top four challenges
Collecting quality data	53%
Ability to develop a strategy based on the data	47%
Compliance concerns over data collection	44%
Understanding / analysing the data	41%
Consistency across different asset managers	40%
Incomplete data	36%
Measurement / benchmarking	34%
Poor in-house expertise	29%
Collaboration with asset managers to improve assets' ESG performance	29%
Trustee knowledge / skills / expertise	22%
Cost of ESG compliance	17%
Balancing short-term performance demands with long-term investments with improving ESG credentials	6%
Regulation	1%

About Deepki

Founded in 2014, Deepki has developed a SaaS solution that uses data intelligence to guide real estate players in their net-zero transition. The solution leverages customer data to improve assets' ESG (Environmental, Social and Governance) performance and maximize asset value. Deepki operates in 38 countries, with 150 team members across offices in Paris, London, Berlin, Milan and Madrid. The company serves clients including Generali Real Estate, Allianz Real Estate, SwissLife Asset Managers and the French government, helping to make their real estate assets more sustainable at scale.



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